**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

AUTHWALLET, LLC	)	
Plaintiff,	)	
	)	**Civil Action No. 1:21-cv-05463**
v.	)	
	)	
SQUARE, INC.	)	**JURY TRIAL DEMANDED**
Defendant.	)	

PLAINTIFF'S ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT

AuthWallet, LLC ("Wallet") files this Original Complaint and demand for jury trial seeking relief from patent infringement of the claims of U.S. Patent No. 9,292,852 ("the '852 patent") (referred to as the "Patent-in-Suit") by Square, Inc., ("Square").

I.   THE PARTIES

1. Plaintiff Wallet is a Texas Limited Liability Company with its principal place of business located in Harris County, Texas.

2. On information and belief, Square is a corporation existing under the laws of the State of California, with a principal place of business located at 375 W. Broadway, New York, NY 10012. On information and belief, Square sells and offers to sell products and services throughout California, including in this judicial district, and introduces products and services that perform infringing methods or processes into the stream of commerce knowing that they would be sold in California and this judicial district. Square may be served at its place of pirincipal place of business at 375 W. Broadway, New York, NY 10012 or wherever they may be found.

II.   JURISDICTION AND VENUE

3. This Court has original subject-matter jurisdiction over the entire action pursuant to 28 U.S.C. §§ 1331 and 1338(a) because Plaintiff's claim arises under an Act of Congress relating to patents, namely, 35 U.S.C. § 271, et. seq.

4. This Court has personal jurisdiction over Defendant because: (i) Defendant is present within or has minimum contacts within the State of California and this judicial district; (ii) Defendant has purposefully availed itself of the privileges of conducting business in the State of California and in this judicial district; and (iii) Plaintiff's cause of action arises directly from Defendant's business contacts and other activities in the State of California and in this judicial district.

5. Venue is proper in this district under 28 U.S.C. §§ 1391(b) and 1400(b). Defendant has committed acts of infringement and has a regular and established place of business in this District. Further, venue is proper because Defendant conducts substantial business in this forum, directly or through intermediaries, including: (i) at least a portion of the infringements alleged herein; and (ii) regularly doing or soliciting business, engaging in other persistent courses of conduct and/or deriving substantial revenue from goods and services provided to individuals in California and this District.
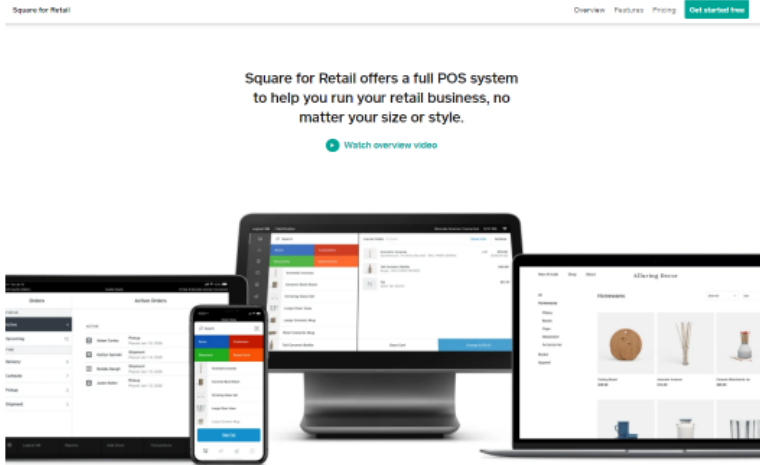
III.   INFRINGEMENT

A.   Infringement of the '852 Patent

6. On March 22, 2016, U.S. Patent No. 9,292,852 ("the '852 patent", attached as Exhibit A) entitled "System And Method For Applying Stored Value To A Financial Transcation" was duly and legally issued by the U.S. Patent and Trademark Office. Authorization Wallet owns the '852 patent by assignment.

7. The '852 patent relates to novel and improved methods and systems for processing financial transaction data.

8. Square maintains, operates, and administers online platforms, products and services that facilitate financial transaction data processing that infringes one or more claims of the '852 patent, including one or more of claims 1-40, literally or under the doctrine of equivalents. Defendant put the inventions claimed by the '852 Patent into service (i.e., used them); but for Defendant's actions, the claimed-inventions embodiments involving Defendant's products and services would never have been put into service. Defendant's acts complained of herein caused those claimed-invention embodiments as a whole to perform, and Defendant's procurement of monetary and commercial benefit from it.

9. Support for the allegations of infringement may be found in the following preliminary table:

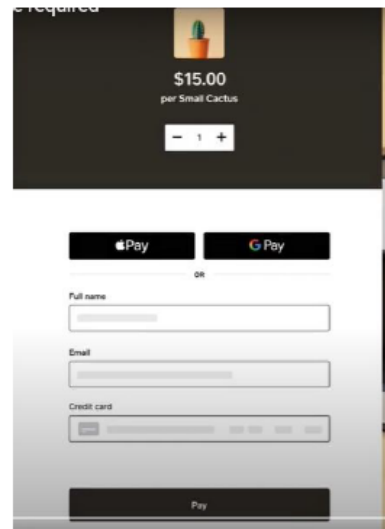| 1. A computer-implemented method for processing financial transaction data in a computing system including a processor and a storage area, the method comprising:	For example, Square offers mobile payment options and allows for reward redemption for multiple vendors. https://squareup.com/us/en/point-of-sale/retail

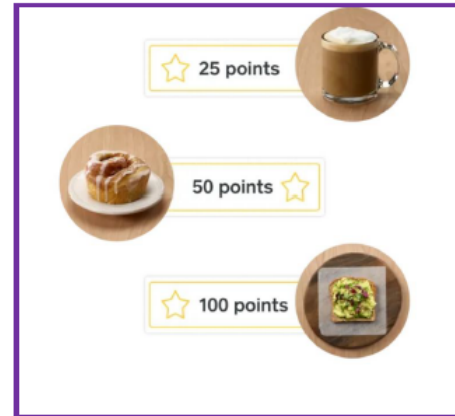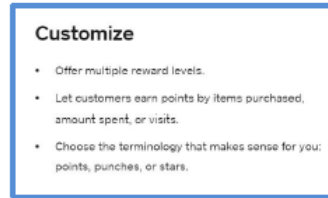|	
receiving an authorization request generated as a result of a transaction by a purchaser at a point of purchase via an acquirer configured to receive authorization requests from a plurality of points of purchase, wherein the authorization request includes a purchaser identifier and transaction information, the transaction information including a transaction amount, and wherein the purchaser identifier identifies the purchaser that initiated the transaction;	For example, Square receives pre-authorizations from debit cards or credit cards. Pre-authorization will include purchaser identification and transaction amounts. **No monthly fees.** Square Online Checkout is free to use. You only pay when you make a sale. ✓ Accept major credit and debit cards ✓ Accept Apple Pay & Google Pay ✓ Sell memberships and subscriptions ✓ Sell items, services, or classes ✓ No special app needed to pay or take payments ✓ Accept tips ✓ Accept one-time or recurring donations ✓ Customizable buy buttons ✓ Printable QR Codes for unlimited products and services $15.00 per Small Cactus – 1 + Pay G Pay OR Full name Email Credit card Pay https://squareup.com/us/en/online-checkout

based on the authorization request, determining one or more stored value items to apply to the transaction, wherein each stored value item includes an associated value, wherein the one or more stored value items are selected from a plurality of stored value items stored in the storage area, and wherein the plurality of stored value items includes stored value items provided by a plurality of different third parties	For example, Square can add a dollar amount or a discount on any transaction. https://squareup.com/us/en/software/loyalty For example, Square can add a dollar amount or a discount on any transaction. https://squareup.com/help/us/en/article/3952-create-a-loyalty-program-with-square

transmitting a transaction indication message to a mobile device associated with the purchaser identifier, wherein the transaction indication message includes information about the determined one or more stored value items;	For example, Square can send notifications to a purchaser's mobile phone. **Engage automatically** Customers get an automated text message when they earn points or rewards, keeping them up to date and your business top of mind. https://squareup.com/us/en/software/loyalty
receiving an indication from a user of the mobile device that at least one stored value item should be applied against the transaction; applying the indicated at least one stored value item to pay a first portion of the transaction amount; and initiating a payment process to pay a remaining portion of the transaction amount by providing a modified transaction amount to the acquirer for	For example, purchasers will click and pay with points towards eligible purchases. **Enrol at the Point of Sale** During checkout, after your payment has been approved, you'll be prompted to enter a receipt preference between emailed or SMS digital receipts or no receipt needed. Once you've made your choice, you'll see a Loyalty enrolment screen asking for you phone number. Enter your 10-digit phone number and tap **Claim Your Point**. At this point, you'll receive an SMS text message confirmation with a link to your Loyalty status page. https://squareup.com/help/ca/en/article/5347-how-customers-redeem-their-rewards

submission to a payment association	

applying the indicated at least one stored value item to pay a first portion of the transaction amount; and initiating a payment process to pay a remaining portion of the transaction amount by providing a modified transaction amount to the acquirer for submission to a payment association.	For example, Square will pay the transaction amount and will deduct any redemption values after the purchase has completed. **Manage Rewards Applied to Modifiers** If you select an item or category for a reward, any modifiers applied to that item will be included in the reward, and given the same discount. If you'd like to charge for modifiers applied to items that are part of a loyalty reward, follow these steps: 1. When creating your loyalty program, select **Partial Discount on an Item**. 2. Select the item(s) that qualify for the reward. 3. Set a reward value equal to the item price before any modifiers are applied. https://squareup.com/us/en/software/loyalty

These allegations of infringement are preliminary and are therefore subject to change.

10. Square has and continues to induce infringement. Square has actively encouraged or instructed others (e.g., its customers and/or the customers of its related companies), and continues to do so, on how to use its products and services (e.g., payment products and services that facilitate purchases from a vendor using a bridge computer) such as to cause infringement of one or more of claims 1–18 of the '852 patent, literally or under the doctrine of equivalents. Moreover, Square has known or should have known of the '852 patent and the technology underlying it from at least the date of issuance of the patent.

11. Square has and continues to contributorily infringe. Square has actively encouraged or instructed others (e.g., its customers and/or the customers of its related companies), and continues

to do so, on how to use its products and services (e.g., payment products and services that facilitate purchases from a vendor using a bridge computer) and related services such as to cause infringement of one or more of claims 1–18 of the '852 patent, literally or under the doctrine of equivalents.   Moreover, Square has known or should have known of the '852 patent and the technology underlying it from at least the date of issuance of the patent.

12. Square has caused and will continue to cause Authorization Wallet damage by direct and indirect infringement of (including inducing infringement of) the claims of the '852 patent.

IV.   JURY DEMAND

Authorization Wallet hereby requests a trial by jury on issues so triable by right.

V.   PRAYER FOR RELIEF

WHEREFORE, Authorization Wallet prays for relief as follows:

a.   enter judgment that Defendant has infringed the claims of the '852 patent through Square payment links;

b.   award Authorization Wallet damages in an amount sufficient to compensate it for Defendant's infringement of the '852 patent in an amount no less than a reasonable royalty or lost profits, together with pre-judgment and post-judgment interest and costs under 35 U.S.C. § 284;

c.   award Authorization Wallet an accounting for acts of infringement not presented at trial and an award by the Court of additional damage for any such acts of infringement;

d.   declare this case to be "exceptional" under 35 U.S.C. § 285 and award Authorization Wallet its attorneys' fees, expenses, and costs incurred in this action;

e.   declare Defendant's infringement to be willful and treble the damages, including attorneys' fees, expenses, and costs incurred in this action and an increase in the damage award pursuant to 35 U.S.C. § 284;

f.   a decree addressing future infringement that either (i) awards a permanent injunction enjoining Defendant and its agents, servants, employees, affiliates, divisions, and subsidiaries, and those in association with Defendant from infringing the claims of the Patents-in-Suit, or (ii) awards damages for future infringement in lieu of an injunction in an amount consistent with the fact that for future infringement the Defendant will be an adjudicated infringer of a valid patent, and trebles that amount in view of the fact that the future infringement will be willful as a matter of law; and

g.   award Authorization Wallet such other and further relief as this Court deems just and proper.

Respectfully submitted,

/s/ David J. Hoffman
David J. Hoffman
254 W 15th St., Apt. 2C
New York, New York 10011
(917) 701-3117 (telephone)
djhoffman@djhoffmanlaw.com

Ramey & Schwaller, LLP
William P. Ramey, III (Pro Hac Vice anticipated)
Texas State Bar No. 24027643
Jeffrey Kubiak (Pro Hac Vice anticipated)
Texas State Bar No. 24028470
5020 Montrose Blvd., Suite 800
Houston, Texas 77006
(713) 426-3923 (telephone)
(832) 900-4941 (fax)
wramey@rameyfirm.com
jkubiak@rameyfirm.com

Attorneys for AuthWallet, LLC

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